

MONTGOMERY COUNTY DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CALCULATION OF SALES PRICES FOR MPDUs FOR:

One Bedroom High Rise 2 Example (7+ stories)

(Project Name)

Date: 11/16/2016

MPDUs with the same prices and features may be included on the same worksheet.

Street Address(es) and Lot(s)/Block(s): 7890 Sample Street, Unit 710 - Lot 1, Block CC

A. MPDU UNIT TYPE:

1.	Unit type and number of stories	<u>High Rise Condo - 12 stories</u>
2.	Elevation type (if applicable)	<u>N/A</u>
3.	Number of bedrooms	<u>1</u>
4.	Number of full baths and rough-in full baths	<u>1</u>
		<u>Finished Rough-In</u>
5.	Number of half baths and rough-in half baths	<u>Finished Rough-In</u>
6.	Basement or slab on grade?	<u>N/A</u>
7.	End or interior unit?	<u>N/A</u>
8.	Square footage of finished area	<u>650</u>

Final MPDU Sales Price (from Page 2, Line 25)

\$188,626

B. CALCULATION OF DIRECT CONSTRUCTION COSTS: (NOTE: Please refer to the MPDU Pricing Standards and Minimum Specifications for Base Unit Size, Square Footage Costs, and prices for Additions and Deletions. Attach explanatory letter and cost documentation for any items that do not have set prices.)

8.	<u>650</u>	= Square footage of finished space (from Line 7)	
9.	<u>850</u>	= Square footage of base unit @	<u>\$158</u> /sq. ft. <u>\$134,300</u>
10.	<u>(200)</u>	= Sq. foot difference from base @	<u>\$79</u> /sq. ft. <u>-\$15,800</u>
11.		Subtotal (Line 9 + Line 10)	<u>\$118,500</u>
12.	<u>Additions and Deletions</u>	<u>Addition</u>	<u>Deletion</u>
a.	End unit	<u></u>	<u></u>
b.	Rough-in half bath	<u></u>	<u></u>
c.	Finished half bath	<u></u>	<u></u>
d.	Rough-in full bath	<u></u>	<u></u>
e.	Finished full bath	<u></u>	<u></u>
f.	Walkout basement - ____ ft. sliding glass door	<u></u>	<u></u>
g.	Attached garage (____ sq. ft. x \$15/sq. ft.)	<u></u>	<u></u>
h.	Detached garage (____ sq. ft. x \$30/sq. ft.)	<u></u>	<u></u>
i.	Vanity (1 x \$270)	<u>\$270</u>	<u></u>
j.	Separate linen closet (1 x \$480)	<u>\$480</u>	<u></u>
k.	High efficiency gas HVAC system (minus standard)	<u>\$3,500</u>	<u>\$2,500</u>
l.	Dishwasher	<u>\$300</u>	<u></u>
m.	Gas range (minus standard)	<u>\$600</u>	<u>\$400</u>
n.	Energy Star refrigerator (minus standard)	<u>\$950</u>	<u>\$500</u>
	Subtotal	<u>\$6,100</u>	<u>-\$3,400</u>
13.		Difference between Additions/Deletions	<u>\$2,700</u>
14.		DIRECT CONSTRUCTION COST (Line 11 + Line 13; enter in Line 15, Page 2)	<u>\$121,200</u>

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C. ADDITIONAL CONSTRUCTION AND INDIRECT COSTS:

15.	Direct unit construction cost (from Line 14 on Page 1)		\$121,200
16.	a. Direct lot development cost (from MPDU Pricing Standards)	\$20,200	
	b. Water and sewer house connection fee (attach cost documentation)	N/A	
	c. Fire sprinkler system installation cost (attach cost documentation)	\$2,000	
17.	Subtotal of Miscellaneous (Lines 16.a through 16.c)		\$22,200
18.	<u>Additional Unusual Costs</u> (see MPDU Pricing Standards - attach explanatory letter and cost documentation):		
	a. N/A		
	b.		
	c.		
	d.		
19.	Subtotal of Additional Unusual Costs (Lines 18.a through 18.d)		\$0
20.	TOTAL OF DIRECT CONSTRUCTION COST ITEMS (Lines 15 + 17 + 19)		\$143,400
21.	<u>SOFT COSTS:</u> (Calculated as a percentage of the Base MPDU Sales Price)		
	Construction Loan Financing Expenses:		
	i) Interest Rate = Prime Rate + 2 Points =	5.25%	
	ii) Calculation = Interest Rate x Average Take Down Rate (6 months) x Length of Loan (9 months)		
	x 75% of Base MPDU Sales Price		
	a. iii) Calculation = Interest Rate x .50 x .75 =	1.48%	
	b. Construction loan placement fee	1.50%	
	c. Legal and closing costs	3.50%	
	d. Marketing and sales commission	1.50%	
	e. Builder's overhead	8.00%	
	f. Engineering and architectural	5.00%	
	g. General requirements	3.00%	
22.	Subtotal of Indirect Cost Percentages (Lines 21.a through 21.g)	23.98%	
23.	Base MPDU Sales Price Calculation:		
	a. Soft Cost Percentages (from above)	23.98%	
	b. Inverse Ratio (100 - Soft Cost Percentage / 100) =	76.02%	
	c. Base MPDU Sales Price = <u>Direct Construction Cost (Line 20)</u> =		\$188,626
	Inverse Ratio (Line 23.b)		
24.	Subtotal of Architectural Compatibility Items (from Line 30.c on Page 3)		\$0
25.	FINAL MPDU SALES PRICE (Line 23.c + Line 24)		\$188,626

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ARCHITECTURAL COMPATIBILITY COSTS

The MPDU Executive Regulations cap Architectural Compatibility at 10% of the allowable MPDU Base Cost (Line 23.c, Page 2). The Director of DHCA does not have the authority to waive or exceed this cap. The direct construction costs for architectural compatibility must be approved by DHCA. The percentage for construction financing in Line 28.a is obtained from the calculations determined in Line 21.a on Page 2. The cost of the architectural compatibility items must be reduced by a credit for normal construction items which are included in the direct construction cost (for example, brick façade reduced by the cost of vinyl siding). Documentation (contracts or estimates) is required for all architectural compatibility items.

26. LIST OF ITEMS AND COSTS FOR ARCHITECTURAL COMPATIBILITY:

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>COST</u>
a.	N/A	
b.		
c.		
d.		
e.		
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		

27.	Subtotal of Architectural Compatibility Costs:	\$0
	a. LESS: Cost of Items Included in the Base MPDU Price:	
	b. Total Hard Cost of Architectural Compatibility Items:	\$0
	c. Maximum 10% of MPDU Base Sales Price (from Line 23.c):	\$18,863
	d. Total Allowed Architectural Compatibility Hard Costs (lesser of 27.b and 27.c):	\$0

28. SOFT COST CALCULATION FOR ARCHITECTURAL COMPATIBILITY ITEMS:

a.	Construction financing (from Line 21.a, Page 2)	1.48%
b.	Construction loan placement fee	1.50%
c.	Builder's overhead	8.00%
d.	Engineering and architectural fees	5.00%

29.	Subtotal of Indirect Cost Percentages (Lines 28.a through 28.d)	15.98%
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30. TOTAL COST FOR ARCHITECTURAL COMPATIBILITY:

a.	Soft cost percentage (from Line 29)	15.98%
b.	Inverse ratio: (100 - Soft Cost Percentage / 100)	84.02%
c.	Cost for Architectural Compatibility = <u>Total Hard Cost Architectural Compatibility (Line 27.d)</u> =	\$0
	Inverse Ratio (Line 30.b)	